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NOTES AND MEMORANDA.

VALUABLE material for more thorough study of the Physiocratic writers is being brought to light. In addition to Messrs. Baer's exhaustive edition of Quesnay's works, we shall soon have the Physiocratic correspondence of Charles Frederic, Margrave of Baden. The *Deutsche Literaturzeitung* states that Professor Knies, who is editing the correspondence, expects to publish it in the course of 1889. The publication will embrace not only letters, but various theoretic disquisitions by Mirabeau and Dupont de Nemours. No doubt we shall get further light on Charles Frederic's curious attempts to put the Physiocratic ideas into practice in his dominion.

THE *Journal des Économistes* for November gives the text of the proposed law for a general tax upon incomes presented by M. Peytral, the French Minister of Finance. It is hardly probable that this plan will ever pass into legislation, but it marks a stage in the present struggle for more revenue and for revenue at the cost of the well-to-do classes.

The chief characteristics of the proposition are these : —

It proposes to make the distinction, so often discussed, between temporary or uncertain incomes and those which are fixed, by taxing professional, industrial, and commercial incomes at one-half the rate at which fixed incomes from investments are taxed.

It proposes to tax for the first time the income from *rentes*, which in France has been treated as beyond the reach of the State except by a breach of faith ; and it also makes the income tax cumulative with the three per cent. tax laid in 1872 upon certain large classes of personal securities.

It proposes to strike, as far as possible, the sources from which income is derived, instead of collecting from the recipient of the income, following in this respect the English law ; but it also proposes to rely upon the system of personal decla-

rations of general income, hitherto supposed to be completely at variance with the French character as well as with the French practice.

The rate proposed is but one-half of one per cent. on professional and business incomes and one per cent. on incomes from property and investments; but, in the mind of the framer of the proposition, the rates now proposed are probably of little consequence in comparison with the establishment of the system in working order as a familiar part of the French administration.

THE English Gold and Silver Commission has divided equally on the subject of bimetallism, as the previously formed opinions of most of the members indicated; and it seems unlikely, therefore, that the investigation will have any practical effect on the general monetary question. It is not improbable, however, that it may hasten the introduction of some substitute for the small circulation now supplied in England by the half-sovereigns. Nearly all of the commissioners, both opponents and friends of the double standard, joined in recommending the issue of ten and twenty shilling notes, payable in silver, and the withdrawal of the small gold, the bad condition of which was noticed in this *Journal* for January, 1887 (p. 225). To such an issue of silver notes, an objection of some weight is made,—that Scotland and Ireland have already in use twenty shilling gold notes, and that confusion and mistake would be likely to arise from the issue of notes for common use similar in denomination, but redeemable in a different metal. The alternative suggestion favored by the *Economist* is the withdrawal of the half-sovereigns, the coinage of more silver of existing denominations, and the introduction of one-pound notes, payable in gold.

The introduction of Bank of England notes smaller than those now in use seems, in fact, to be not far off. The five-pound note, as a part of the working currency, is more and more complained of as ineffective; and it is interesting to observe that its diminished importance is ascribed to the increased efficiency of deposit banking. So great a proportion even of comparatively small payments are now made by

check that the five-pound note has no indispensable function. Below the five-pound line, however, there is an increasing multitude of transactions too minute to be settled by check, which strengthens the demand for a more convenient medium in small denominations.

THE publication of the concluding volume of the ninth edition of the *Encyclopædia Britannica* will doubtless suggest a comparison of the new edition with its predecessor from many points of view; but in no department can a greater change have been made than in the political economy of this vast work. The economic revolution is, in fact, pretty well described by saying that it is from J. R. McCulloch in the eighth edition to J. K. Ingram in the ninth.

The eighth edition brought forward Ricardo's essay on the Funding System and Malthus's article on Population (both given in the supplement of 1824), and the Economists were discussed by the elder Mill; but, after this safe delegation of topics, Mr. McCulloch still held the main part of the field as his own. The articles written by him on Political Economy and Money (including Banking) were treatises; those on Corn Laws, Precious Metals, and Taxation were considerable essays; and when, in addition, he covered Wages and Adam Smith, there was little more to be said. The treatment of the whole subject in that edition was thus in severely conservative hands, and represents the English school in the strictest sense. The younger Mill does not appear among the writers on this subject, and Senior had treated it in the *Encyclopædia Metropolitana* in a way not in close accord with McCulloch's.

Dr. Ingram cleared his way, as it were, by writing for the ninth edition a short biographical notice of his predecessor,—there can hardly be a doubt as to the meaning of the initials “J. K. I.,” subscribed to the article on McCulloch,—pronouncing a eulogy which is chiefly remarkable for its great sobriety. He then set the keynote by his own article on Political Economy, which has since been published independently, and has made a deep impression as an exposition from the new school. McCulloch's other treatise was replaced by Professor Bastable's article on Money and Mr. Leonard Courtney's

on Banking; Population as an economic topic nearly disappeared; Taxation and Wages were assigned to Professor Nicholson of Edinburgh, Free Trade to Professor Thorold Rogers, Socialism to Mr. T. Kirkup, and Adam Smith was of necessity treated by Dr. Ingram himself. Historical perspective, no doubt, required that Ricardo's essay on the Sinking Fund should be dropped, and in its place appeared an article on National Debt by Mr. J. Scott Keltie.

The writers in this new list are not distinctly of one school, as were those in the old one. Still, the predominating influence has clearly moved from the extreme right wing, and is now to be found well over upon the left. There would be little risk in predicting a return at least to the centre, when Dr. Ingram's successor makes a new distribution of the topics for fresh discussion in the tenth edition,—say in A.D. 1918.

At the twenty-first annual Trades-union Congress, held at Bradford, England, in September last, there was some discussion of the agitation for an eight-hours working-day, and more particularly of the desirability of securing it by legislation. The Parliamentary Committee had sent out circulars, asking for an expression of opinion on the latter point. The answers to these inquiries came in some cases from individuals, in other cases from unions *en bloc*. Of the answers from individuals, about 17,000 were in favor of legislation for an eight-hours day, and 7,400 were against such legislation. But, of the unions answering, only ten were in favor of an eight-hours bill, and eleven were against it. Moreover, the eleven in the negative had more than twice as many members as the ten in the affirmative. Of five "trades councils," two were for a bill, three were against. It also appeared that only a "very small" proportion of those to whom these inquiries were directed answered at all, which indicates much lack of interest in the whole movement. The Committee recommended that the Congress should either let the matter drop or order another inquiry: the latter course was adopted.

A resolution on land reform was adopted, very like that of the previous year, advocating taxation of ground rents and

nationalization of land; in fact, declaring in terms "that no real and satisfactory settlement can be effected until the whole of the land of the United Kingdom has been restored to the people." This was carried by a vote of sixty-six to five. Another resolution, adopted unanimously, called for "more extended compulsory powers to local authorities to acquire land for small holdings."

A TYPICAL FRENCH FARM.

In the August number of the *Journal de la Société de Statistique de Paris*, M. Adolphe Coste has presented an ingenious statement of the average results of the French agricultural survey of 1882. He has assumed as the type of French agriculture a farm of 100 hectares, throwing aside the market gardens, vineyards, and other properties which are too small to be worked in real independence, and coming at once to a type large enough to represent a self-supporting agriculture,—the *usine rurale*, where corn and meat are produced in competition with the corn and meat of other countries. The class of farms actually in view comprises 437,957 properties, containing 30,641,459 hectares, giving an average of about 70 hectares each; but, for convenience of comparison, M. Coste prefers to take the round number 100, which greatly facilitates the application of his results.

Taking, then, the acreage of the principal products and grouping those which are closely related, he finds that to represent the distribution of French agriculture his typical 100 hectares would have to be allotted as follows:—

	Hectares		Hectares.
Gardens, yards, buildings	1	<i>Brought forward</i>	56
Wheat	23	Peas and beans	1
Rye	6	Forage	13
Oats	15	Fallow	12
Bailey	3		—
Industrial products (sugar beets, colza, flax, hemp, etc)	2	Cultivated	82
Potatoes	4	Grass lands	15
Root crops	2	Pasture	3
	56		100

In this distribution, M. Coste finds a curious proof of the continued existence of two methods of rotation in almost

equally extensive use. The old three years' rotation would divide 81 hectares as follows:—

Corn . . 27 Oats . . 27 Fallow . . 27

The four years' rotation would divide the same land between,—

Corn, 20½ Roots, 10½ } 20½ Oats, 20½ Forage, 20½
 Forage, 10½ }

Or, if the two methods are equally in use, 81 hectares would be allotted to,—

Corn, 23½ Oats, 23½ Roots, 5½ Forage, 15½ Fallow, 13½

The actual allotment appears to correspond closely to this mean, as follows:—

Wheat, with } 25 Oats, with } 24 Roots, } 7 Forage, 13 Fallow, 12
 colza, flax, peas }
 and beans, rye and potatoes, sugar beets, }

The returns of live stock, reducing all varieties to standard types, would show the 100 hectares to be provided with animals in number and weight as follows:—

7 working horses,	weighing	3,339 kilog.
6 working cattle,	"	2,742
1 bull,	"	370
22 cows,	"	7,260
14 young animals,	"	1,862
52 sheep,	"	1,684
28 lambs,	"	504
16 swine,	"	1,840
		<hr/>
		19,581 kilog.

This live weight of 196 kilos per hectare is brought forward in order to show how far France is from that good state of cultivation which high authority finds represented by a live weight of 500 kilos per hectare, and as confirming the belief that the rotation with fallows in the third year is still widely practised. The large proportion which working animals bear to the whole of the stock is also remarked upon as in part the result of uneconomical methods, in part of the scattered position of the parcels which often make up a property, and in part of the imperfect railway communication in a large part of rural France.

The persons occupied in working this typical farm and their wages are estimated thus:—

		<i>Wages.</i>
Farmer and his wife		
Laborers,	3 at 325 fr.	975 fr.
Herdsmen,	1	290
Shepherd,	1	200
Fem. servant,	1	235
Day laborers,	4 at 2.22 fr. 125 days	1,110
	" 3.11 fr. 125 "	1,555
<hr/> 12 persons		<hr/> 4,365 fr.

The value of the farm and of the capital employed upon it is examined at some length by M. Coste, with the following result:—

Farm property:—			
Arable land,	worth	132,000 fr.	
Grass land and pasture,	"	45,000	
Buildings,	"	26,000	203,000 fr.
Capital employed:—			
Working animals,	worth	6,192 fr.	
Other live stock,	"	9,597	
Machinery, tools, carts, etc.,	"	6,500	
Other furnishing,	"	2,000	
Advances for seed, wages, and board for 8 persons,		4,711	29,000
<hr/> Total			<hr/> 232,000 fr.

The rent, as calculated from the returns, would be 5,541 francs, or a trifle less than $2\frac{3}{4}$ per cent. of the value of the farm property. The pecuniary results of a year's operations are investigated with great minuteness by the help of the minute statements as to products contained in the official returns; but this part of the inquiry is open to so much question that we shall only present a summary, in which the results for 1885 are compared with those for 1882, contrasting a bad year with a good one, as giving a measure of the difficulties under which French agriculture now labors:—

	1882.		1885.
Receipts for			
Vegetable products	12,573 fr.		10,374 fr.
Animal products	9,845	22,418 fr.	9,705
Expenses for			
Rent	5,541 fr.		
Wages	4,365		
Board of 8 persons	2,920		
Seed	1,861		
Depreciation and loss . . .	1,389		
Mechanics, etc.	924	17,000	17,000 fr.
Balance		5,418 fr.	3,079 fr.

From this balance is to come the reward for the personal service of the farmer and his wife and the return on the capital employed upon the farm, amounting to 29,000 francs, as stated above.

SAVINGS BANK DIVIDENDS.

The changes in the earning-power of well-invested capital in the last half-century are illustrated in a striking manner by the figures which we present below, from the returns of three of the oldest Massachusetts Savings Banks. The Provident Institution for Savings and the Suffolk Savings Bank, together holding more than \$48,000,000 of deposits, are the two largest and oldest savings institutions in Boston proper. The Lowell Institution for Savings has an especial interest from its position in a manufacturing city. All three may be taken as representing a class of trustees who wish to invest safely and yet profitably for the owners of the funds in their charge, — taking no commercial risks, holding the principal always within easy reach, and giving to depositors the benefit of the soundest judgment and most skilled management attainable.

In the following statement of dividends made to depositors by the Provident Institution and the Suffolk Savings Bank for fifty years, it is to be noted that extra dividends are averaged over the years in which they were earned, and that the dividends have come to the depositor free from taxation in his hands:—

	<i>Provident. Suffolk.</i>			<i>Provident. Suffolk.</i>			<i>Provident. Suffolk.</i>	
1839	4.	5.42	1856	8.	7.	1873	6.	5.25
1840	4.	5.42	1857	7.	7.	1874	6.	5.25
1841	4.	5.43	1858	7.	7.	1875	6.	5.25
1842	7.85	5.43	1859	7.	7.	1876	6.	5.25
1843	7.85	5.43	1860	7.	7.	1877	5.	4.75
1844	7.85	5.43	1861	7.	7.	1878	4.	4.
1845	7.85	5.43	1862	8.	7.	1879	4.	4.
1846	7.85	5.43	1863	8.	8.	1880	4.	4.
1847	8.	5.43	1864	8.	8.	1881	3.	4.
1848	8.	7.	1865	8.	8.	1882	3.	4.
1849	8.	7.	1866	8.	8.	1883	3.50	4.
1850	8.	7.	1867	5.60	8.	1884	3.	3.50
1851	8.	7.	1868	6.60	6.50	1885	3.50	3.50
1852	8.	7.	1869	6.60	7.	1886	3.50	3.50
1853	8.	7.	1870	6.60	7.	1887	3.50	3.50
1854	8.	7.	1871	6.60	7.	1888	4.	4.
1855	8.	7.	1872	6.	7.			
					<i>Provident.</i>			<i>Suffolk.</i>
Amount of deposits, 1839,					\$2,006,821.00			\$162,942.00
“ “ “ 1888,					27,548,641.00			20,705,252.00
Average dividend rate, 50 years,					6.245			5.922
“ “ “ last 20 years,					4.69			4.787

The Lowell Institution for Savings has published a statement showing the growth of its deposits from 1829 to 1885, when its deposits were \$3,504,392. It gives a table showing the

value of \$100 deposited in 1829, at intervals of five years, from which may be deduced the rates of interest, compounded semi-annually, as follows:—

	<i>Value of \$100.</i>	<i>Rate of interest.</i>
1835	\$140.55	7—
1840	188.82	6
1845	242.72	5
1850	329.21	6—
1855	450.64	6+
1860	618.75	6½
1865	876.46	7
1870	1,224.11	7—
1875	1,671.34	6+
1880	2,039.68	4
1885	2,479.42	4

THE TARIFF LITERATURE OF THE CAMPAIGN.*

The campaign has brought forth, as was to be expected, a considerable crop of books and pamphlets on the question of protection. Of these, the most pretentious is Mr. Thompson's *History of Protective Tariff Laws*, a stout volume of five hundred pages, with large print, heavy paper, decorated binding, and divers prettily colored charts. Its exterior is characteristic of the class to which the book seems to belong,—the memoirs and histories which enterprising publishers contract for with men in public life, and which are expected to sell less on the score of intrinsic merit than by virtue of the author's name and a flurry of interest in the subject. A serious contribution to historical or economic knowledge is not to

*(1) *The History of Protective Tariff Laws*. By R. W. Thompson, ex-Secretary of the Navy. Chicago: R. S. Peale & Co. pp. 526.

(2) *Twenty-two Years of Protection*. By Henry V. Poor. New York: H. V. & H. W. Poor. pp. 222.

(3) *Is Protection a Benefit? A Plea for the Negative*. By Edward Taylor. Chicago: A. C. McClurg & Co. pp. 274.

(4) *The Tariff and its Evils*. By John H. Allen. New York: G. P. Putnam's Sons. [Questions of the Day, No. 53.] pp. 130.

(5) *Relation of the Tariff to Wages*. A Simple Catechism for those who desire to understand this Matter. By David A. Wells. New York: G. P. Putnam's Sons. [Questions of the Day, No. 54.] pp. 45.

(6) *Tariff and Wages*. By George W. Elliott. Buffalo: Moulton, Wenborne & Co. pp. 112.

(7) *The Home Market and the Federal Surplus*. By Carman F. Randolph. New York. pp. 63.

(8) *True or False Finance: The Issue of 1888*. By a Tax-payer. New York: G. P. Putnam's Sons. [Questions of the Day, No. 55.] pp. 41.

(9) *The National Revenues*. A Collection of Papers by American Economists. Edited by Albert Shaw. Chicago: A. C. McClurg & Co. pp. 245.